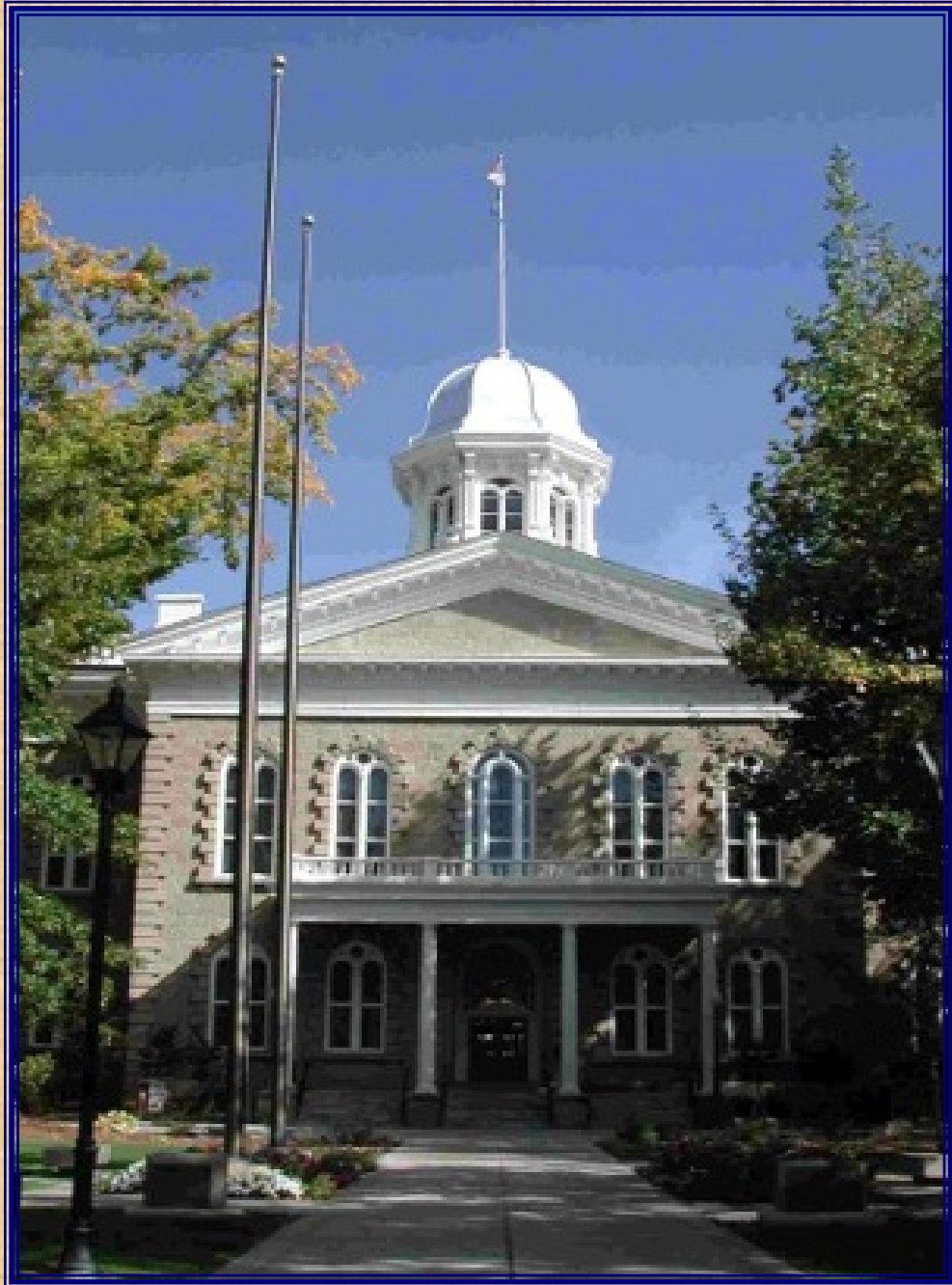


# Nevada

## 2004 Annual Report



Committed to the future of rural communities.

**Secretary Ann M. Veneman**  
**United States Department of Agriculture**



**Secretary of Agriculture**  
**Ann M. Veneman**

One of the hallmarks of the Bush Administration centers on improving the quality-of-life and increasing economic opportunities in rural communities. To do this, USDA Rural Development focuses efforts on three primary areas -- home ownership opportunities, business development, and community infrastructure.

The \$50 billion in USDA Rural Development investments made by the Bush Administration has helped to create or save over 800,000 jobs that are important to rural communities. The all time record high of 76.1 percent homeownership in rural areas is evidence that programs are working as USDA Rural Development has helped 170,000 families attain their dream of homeownership. President Bush has set a goal of providing access to all Americans by 2007. USDA Rural Development is helping meet this goal by increasing access for 1.2 million households and businesses to high-speed Internet technologies.

USDA Rural Development has provided 2.7 million people with basic community water and wastewater infrastructure. Additionally, investments that assist communities with financing public health and safety first responder requests, including financing the purchase of 600 fire trucks and 150 police cars and construct or renovate nearly 100 medical facilities, are having a positive impact on the quality of life in rural America.

The Bush Administration understands the values and traditions that are unique to those who call rural America home. President Bush and I, along with our USDA Rural Development family, are working hard to support families, businesses, and communities increase economic opportunities and improve the quality of life in rural communities.



Committed to the future of rural communities.

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*To file a complaint of discrimination write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.*

**Gilbert Gonzalez, Acting Under Secretary  
USDA Rural Development**



**Gilbert Gonzalez  
Acting Under Secretary  
USDA Rural Development**

Citizens and community leaders throughout rural America share a common desire to bring economic opportunity and an improved quality of life to their community. There is a remarkable cohesiveness among rural citizens that allows the energy and enthusiasm of local citizens to harness the resources needed to bring solutions to economic and social issues facing their communities.

Today, more Americans than ever are realizing their dream of becoming a homeowner. Bringing stability to families, neighborhoods and increasing personal family wealth through building of financial equity in their future. I am proud to say that 20 percent of the first-time homeowners receiving financing this year are minority families.

We are committed to aggressively working to help families, communities and businesses build the basic community infrastructure, help create more local jobs and gain access to educational and health care services and technologies that allow them to be better prepared to compete in a global environment.

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While we have accomplished much, we know that more must be done to assist more families, businesses, and communities benefit from the financing and technical assistance USDA Rural Development provides. That is why I unveiled this year a new education and outreach effort designed to ensure everyone in rural areas know what assistance is available to help them achieve their economic goals and improve their quality of life. Simply put, USDA Rural Development is the sole government agency that can build rural communities from the ground up.

To date, the Bush Administration, through USDA Rural Development, has invested \$50 billion to help create or save over 800,000 jobs. We have a team of dedicated professionals capable and ready to work with you to improve the quality of life in rural Nevada. I encourage you to contact your local or state office in Nevada to learn more about how USDA Rural Development can help improve the quality of life and increase the economic opportunity in your community.

Committed to the future of rural communities.  
Estamos Dedicados al Futuro de las Comunidades Rurales.



**Larry J. Smith, State Director  
USDA Rural Development**

Dear Friends,

Highlighting a successful fiscal year 2004 were the projects that were Presidential Initiatives for: “First Responders” and “Increases in Homeownership”. The importance to rural communities of fire and safety (First Responders) type projects is visible by the number of funding requests received and approved for community facilities loans and grants. Self-help housing programs were utilized to help address the serious shortage of affordable housing units in many areas of our state. These same housing programs also helped to increase minority homeownership in our rural communities.

With expanding populations and local economies, rural communities looked to our utilities programs in greater numbers to provide needed funding to improve and expand rural water and wastewater feasibilities. In FY 2004, the White Pine County School District was the recipient of a distance learning grant. This grant will assist this geographically large rural school district by providing expanded educational programs to students and teachers.

Although Nevada continues to be the fastest growing State in the nation and has one of the lowest, if not the lowest, unemployment rates, providing quality jobs and job diversity still remains a challenge for many rural communities. These rural priorities received a significant boost from our business programs and their expanded partnership and funding of the rural efforts of the Nevada Small Business Development Center.

During the fiscal year, Rural Development held a series of rural workshops to market our energy programs and President Bush’s Initiative for Community and Faith-Based Organizations. Our business and cooperative programs staff played a major role in partnering with the Governor’s Energy Office in marketing the potential of renewable energy and energy efficiency projects in rural Nevada and the programs available to assist in their development. Our two Area Directors lead the workshops for community and faith-based organizations, in which we featured our guaranteed community facilities loan program and how this program is able to assist in funding proposals from such organizations that benefit rural communities.

While pleased with the federal dollars that USDA Rural Development is able to deliver to rural Nevada, what pleases me most is the human benefits and joy that is made possible from these program dollars. The USDA Rural Development motto, “Committed to the future of rural communities,” expresses our pledge to work with rural communities and assist them in improving economic opportunities and the quality of life for their residents.

The following pages summarize many of the proud accomplishments of our dedicated Nevada Rural Development staff as well as the important contributions provided by our partner organizations. Without the assistance provided by our partners, we could not accomplish as much as we do for rural Nevada. To all who contributed to make fiscal year 2004 a success, I say thank you very much!

*Larry J. Smith*  
State Director

**Herb Shedd, Business and Cooperative Programs Director  
USDA Rural Development Business and Cooperative Programs**

One of the highlights within the business and cooperative programs this year was the establishment of a new partnership with the Nevada Small Business Development Center (NSBDC) headquartered at the University of Nevada Reno (UNR). Business assistance to rural entrepreneurs in the Silver State is difficult at best considering the time and distance involved in meeting a counselor. The NSBDC can offer business owners assistance in a wide array of services including new business start-up, business planning, Government procurement, management training, environmental compliance, strategic planning, and capital formation just to name a few. Professional counseling services provided by the NSBDC are free to small business owners and low cost business education seminars are also made available to the business community.



**(Left to right) Sam Males, NSBDC State Director,  
Winnie Dowling, NSBDC Deputy State Director,  
and Larry J. Smith, State Director,  
USDA Rural Development**

In order to assist business entrepreneurs in rural Nevada, the NSBDC requested funding from the rural business enterprise grant (RBEG) program to continue supporting three rural business development counselors whose service territory covers eight of Nevada's 17 counties covering over 50,000 square miles. Another Rural Development partner, the Rural Nevada Development Corporation (RNDC), has hosted a NSBDC subcenter in eastern Nevada since 1999 and will continue providing business assistance in the entire service area. Two other business consultants are located in Hawthorne and Pahrump. Clients assisted by the NSBDC and its rural business counselors increased from 38 in

2001 to 173 in 2003, an increase in assistance by over 350%. It is anticipated that this trend will continue as Nevada's rural communities continue to grow. For a full listing of services offered by the NSBDC and the location of the nearest business consultant, please visit their website at <http://www.nsbdc.org/>

Business financing is also provided in the rural areas by the Rural Nevada Development Corporation (RNDC) in the form of intermediary relending program (IRP) funding. Whenever small business owners, especially start-up companies, cannot obtain traditional commercial financing for their business operations, RNDC's lending program is available. Since its inception, this non-profit lender has financed 56 rural businesses throughout the rural counties of Nevada. If you are thinking about starting your own small business or expanding one in the near future, you can see what RNDC has to offer at their website: <http://www.rndcnv.org/>

Another popular business development program offered by the USDA Rural Development is the rural business opportunity grant (RBOG). Limited funding is available on a nationwide basis for this grant program in promoting sustainable economic development in rural

## **USDA Rural Development Business and Cooperative Programs (continued)**

communities with exceptional needs. Because of the limited funding of the RBOG program, USDA Rural Development has earmarked a portion of the funds to serve the American Indian communities throughout the United States. Wanting to find a sustainable source of income to supplement their income one of our Nevada Tribes, the South Fork Band Council in Lee, applied for the grant in order to determine the feasibility of developing a new business on tribally owned land near the South Fork Reservoir. An excellent business decision prior to committing other funds to the development, the RBOG program is well suited for such an activity. Any tribal entity, public body or non-profit corporation interested in this particular program should contact one of our business programs staff by April 1, 2005.

A relatively new business program for Rural Development is the renewable energy and energy efficiency improvement program commonly referred to as 9006, which was the section of the 2002 Farm Bill authorizing it. Rural Development staff teamed up with the Nevada State Office of Energy, the US Department of Energy and the Nevada Commission on Economic Development in April, to provide workshops on renewable energy development to 17 rural communities. Even though no applications were received for the new program, much ground work was laid for future energy projects. Funding for the program is anticipated in May of this fiscal year and interested parties can review the application materials by going to Government Printing Office (GPO) Access Federal Register website (<http://www.gpoaccess.gov/fr/index.html>) and searching the 2004 Federal Register for the October 5, 2004 printing of the proposed rule (also search by using Rural Development as a key word).

### **Cooperative Development**

Another important segment of the business programs is providing technical assistance to business entities in rural Nevada. This type of assistance can take on many forms, but of particular note this past year was the interaction Business and Cooperative Specialist Dan Johnson provided to the residents of Ely, NV. Faced with the eminent closure of the J.C. Penney's store in their community, the citizens of Ely became desperate to find another clothing store business to move into their town. Without which, their only options would be to shop for needed clothing in Las Vegas (a 484 mile round trip) or Elko (188 miles to the north). Dan made arrangements with the White Pine County Economic Diversification Council to discuss the option of forming a consumer owned cooperative with the development and ownership of a clothing store in mind. Community members visited a similar type community in Powell, WY, where the citizens came together and formed their own business entity and opened a clothing store. As a result of all the community involvement in Ely and partnerships developed over the course of the summer, the community owned "Garnet Mercantile, LLC" opened their clothing store just in time this past year to capture some market share of the holiday buying season.

Technical assistance is just one of the tools in the Rural Development toolbox available to rural communities and rural business owners in order to develop and diversify the economic base within the State of Nevada.

**Mike Holm, Community Programs Director**  
**USDA Rural Development Community Facility Loans and Grants**

One hundred million dollars was committed nationwide for a new USDA First Responder Initiative to support rural emergency responder efforts by prioritizing the financing for needed equipment and services.

As part of USDA's First Responder Initiative, a minimum of one dollar of every five dollars of fiscal year 2004 community facility funding available was dedicated to first responder requests. The following types of projects were emphasized through this initiative: fire protection equipment, fire station, fire trucks, rescue and ambulance service equipment and building, Emergency Response Training, police station, police car, communications center, mobile communications center, hospital, physicians clinic, outpatient care, office building (health care), county health department office, food preparation distribution center, and animal shelter (Veterinarians).



**Mason Valley Fire Protection District  
\$38,500 to purchase a new ambulance.**



**North Lyon County Fire Protection District  
\$700,000 loan for remodeling and expansion.**

USDA Rural Development assisted in funding \$3,326,644 in first responder projects throughout rural Nevada, which represents 92 percent of our total community facility loan and grant funds of \$3,624,394.

Other communities assisted:

**White Pine County Rural Fire Departments** received a community facility grant in the amount of \$46,144 to match a State of Nevada Community Development Block Grant and a Nevada Division of Forestry grant to purchase equipment.

**Duckwater Shoshone Tribe** received a community facility grant in the amount of \$2,500 to match Tribal funds for the purchase of turnout gear for the volunteer fire department.



**Congressman Jim Gibbons (R-Nev.) and Larry Smith, State Director, USDA Rural Development presented Pershing General Hospital a check in the amount of \$2,500,000 for hospital renovations.**

**Faith-Based & Community-Based Initiative**  
 USDA Rural Development held 12 local workshops throughout Nevada for nonprofit and faith-based organizations and two workshops were held in Reno and Las Vegas for rural lenders. The primary focus of the workshops was on the community facility guaranteed loan program. Additionally, information was provided on our community facility direct loan and grant programs.



**Mike Holm, Community Programs Director**  
**USDA Rural Development Water & Environmental Loans & Grants**

Nevada Rural Development provided water and environmental loan and grant funding of \$6,853,033 to communities in six different counties. In addition, we leveraged funds from our federal, state and local partners in the amount of \$12,140,195 for water and wastewater projects.

Churchill County has taken steps to create county-wide water and wastewater systems with a \$1,286,618 loan and \$1,183,489 grant for the water system and a \$2,042,758 loan for the wastewater system. With leveraged funds, the total cost for these projects is anticipated to be \$4.6 million and \$3.9 million respectively. These projects will assist in eliminating the numerous septic systems that are posing a hazard to the quality of the groundwater and also to provide homeowners with access to quality drinking water. In the future, by creating a county-wide water system, Churchill County will be able to provide a method for treating the high-arsenic water in the area.

Other communities assisted:

- Alamo Sewer & Water General Improvement District in Lincoln County. Alamo will use \$422,300 in funding to make improvements to their drinking water system.
- With \$3.9 million from the State of Nevada's Board for Financing Water Projects grant program, USDA Rural Development provided \$511,000 to the Canyon General Improvement District in Storey County to complete improvements to their water system.
- Paradise Valley Sewer District located in Humboldt County received a \$15,000 pre-development planning grant. The grant will be matched with \$5,000 of the districts own funds and will be used to complete a Preliminary Engineering Report to evaluate their wastewater system.

**Distance Learning Grant**

US Senator John Ensign (R-Nev.) and Larry Smith, State Director, USDA Rural Development presented a distance learning grant check in the amount of \$493,544 to White Pine County (WPC) School District. The funds will be used to provide 8 schools with equipment to expand educational resources to students. The intent of this project is to improve student achievement, provide high quality professional development, assist students and the community with career preparation and economic opportunities, provide services to handicapped and special needs students, and to improve education opportunities for the rural residents of White Pine County.



(Left to right) Glen Simkins, Principal, Lund High School, Larry Smith, State Director, USDA Rural Development, Mark Bechtel, Mountain High School, Owen Mercer, Principal, White Pine Middle School, Bunny Hill, WPC School District Trustee, Senator John Ensign, Frank Boone, Nova Center, Caroline McIntosh, Assistant Superintendent, and Joe Collins, Principal, David E. Norman Elementary School



**William Brewer, Housing Programs Director  
USDA Rural Development Housing Programs**

Self-help housing is the housing program's shining star in FY 2004, having obligated a record 22 self-help single family loans. The program has grown steadily from humble beginnings in 1995 to a program that will surpass a total of 100 homes built in the next fiscal year. A predevelopment grant was approved to Citizens for Affordable Homes Inc. (CAHI) to begin self-help housing in Pahrump, and a predevelopment grant was approved to Color Country Community Housing Inc. to develop a self-help program in Mesquite. Both organizations are actively underway in obtaining building sites and recruiting applicants. CAHI continues a strong self-help program in Dayton, and received a \$925,763 site loan to develop an additional 24 building sites.

Through Rural Development's single family housing programs (502 direct housing program), 87 families will enjoy the 2004 holidays in their own homes. Twenty-one families are safer and more comfortable in homes that were repaired with Rural Development funds (504 housing repair and rehabilitation loans and grants). Approximately 346 very-low income households, including 212 elderly households, will benefit from very affordable rents provided by Rural Development rental assistance.



**National Homeownership Month June 2004  
USDA Rural Development and Citizens for Affordable Homes**

Marketing efforts for the guaranteed housing loan (502 guaranteed housing program) were substantial in FY 2004. Nevada's Real Estate Division has approved a three-hour course developed by USDA Rural Development for Realtor continuing education. Sixty-two Realtors were trained in four different courses in FY 2004. Numerous visits to mortgage lenders, which included training sessions were also conducted. The quality of the guaranteed housing loan program in Nevada is reflected in a zero percent first year delinquency rate, and an overall delinquency rate well below the National average.

Fifty-eight single family housing direct loans were obligated in FY 2004, twenty-two of which were self-help housing loans. The quality of Nevada's direct 502 program is reflected in a zero percent first year delinquency rate, and an overall delinquency rate almost half of the National average. Our housing programs covered the State by not only working in traditional markets such as Elko and Dayton, but program funds were obligated in out-of-the-way places like Amargosa Valley, Beatty, Caliente, Mina, Schurz and Tonopah. A total of almost \$17 million was invested in rural Nevada through USDA Rural Development housing programs in FY 2004.

**Committed to the future of rural communities.  
Estamos Dedicados al Futuro de las Comunidades Rurales.**

**Kay Vernatter, Las Vegas Area Director  
USDA Rural Development**



**National Homeownership Month  
HUD EXPO June 19, 2004  
Las Vegas, Nevada**

The Las Vegas Area Office, which includes the Las Vegas and Winnemucca local areas, obligated \$3,914,485.40 in affordable housing products under our direct 502 homeownership, guaranteed 502 homeownership and 504 housing repair programs for Nevada rural residents. These products represented homeownership loan funds for 35 very-low, low-, and moderate-income individuals or households to achieve the American Dream of affordable homeownership. We also assisted 15 very-low income households with home repair. These repairs included new roofs, handicapped access ramps into their homes, handicapped accessible bathrooms, new hot water heaters, new windows and upgrades to the homes cooling and heating systems.



**Mesquite Rural Business EXPO  
September 22, 2004**

Two successful Rural Business Expos were held in Pahrump and Mesquite to assist community residents in learning more about resources available to local small business owners. Discussions were presented on how and where to get funding, preparation of proper business plan, and business licensing. Our participating partners were Pahrump, Mesquite and Moapa Area Chambers of Commerce, City of Mesquite, Nevada MicroEnterprise Fund, Bank of Nevada, Nevada State Bank, Wells Fargo, Sun First Bank, America First Credit Union, SCORE, Nevada Small Business Development Centers, Rural Nevada Development Corporation, U.S. Small Business Administration, Cooperative Extension Service and Nevada Commission on Economic Development.

For more information about USDA Rural Development programs, please contact the Las Vegas Area Office at (702) 262-9047, ext 4.

**Committed to the future of rural communities.  
Estamos Dedicados al Futuro de las Comunidades Rurales.**

# USDA Rural Development Totals by Community FY 2004

## Page 1

Location	Business&Cooperative Loans & Grants	Amount	Jobs Created	Jobs Saved
Fernley		\$572,500.00	1	1
Lyon County		\$44,045.00	0	0
Mineral County		\$38,000.00	0	1
Orovada		\$57,312.00	0	0
Spring Creek		\$20,000.00	15	0
Statewide		\$90,090.00	200	75
<b><u>Totals</u></b>	<b>Business&amp;Cooperative</b>	<b>\$821,947.00</b>	<b>216</b>	<b>77</b>
Location	Community Programs WEP Loans & Grants	Amount	Household Served	Business Served
Alamo		\$422,300.00	252	41
Fallon		\$4,514,865.00	929	235
Gardnerville		\$533,491.00	127	
Goldfield		\$856,250.00	181	34
Lockwood		\$511,127.00	388	
Paradise Valley		\$15,000.00	68	3
<b><u>Totals</u></b>	<b>Water/Environmental</b>	<b>\$6,853,033.00</b>	<b>1,945</b>	<b>313</b>
Location	Community Programs CF Loans & Grants	Amount	Population	
Duckwater		\$2,500.00	130	
Ely		\$46,144.00	3,638	
Fallon		\$255,000.00	7,460	
Lovelock		\$2,500,000.00	6,963	
Mason Valley		\$38,500.00	7,500	
Mina/Luning/ Walker		\$4,500.00	1,106	
N. Lyon County		\$700,000	14,000	



**USDA Rural Development Totals by Community FY 2004**  
**Page 2**

<b>Location</b>	<b>Community Programs CF Loans &amp; Grants</b>	<b>Amount</b>	<b>Population Served</b>	
Orovada		\$7,750.00	944	
Yerington		\$70,000.00	2,798	
<b><u>Totals</u></b>	<b>Community Facility</b>	<b>\$3,624,394.00</b>		
<b>Location</b>	<b>Housing Programs Loans &amp; Grants</b>	<b>Amount</b>	<b>Household Served</b>	<b>Business Served</b>
Alamo		\$130,388.00	2	
Amargosa Valley		\$93,000.00	1	
Battle Mountain		\$457,011.00	24	
Beatty		\$7,500.00	1	
Boulder City		\$6,400.00	1	
Bunkerville		\$253,981.00	2	
Caliente		\$117,000.00	1	
Dayton		\$3,426,977.00	19	1
Elko		\$2,119,022.00	62	
Ely		\$846,265.00	44	
Fallon		\$1,896,378.00	124	
Fernley		\$814,495.00	26	
Hawthorne		\$6,200.00	1	
Laughlin		\$352,000.00	4	
Logandale		\$238,850.00	2	
Lovelock		\$6,500.00	1	
Mesquite		\$681,918.00	5	
Mina		\$3,675.00	1	
Overton		\$508,430.00	25	

# USDA Rural Development Totals by Community FY 2004

## Page 3

Location	Housing Programs Loans & Grants	Amount	Household Served	Business Served
Pahrump		\$748,359.00	10	
Panaca		\$377,300.00	21	
Pioche		\$18,903.00	1	
Schurz		\$4,875.00	1	
Searchlight		\$336,145.00	23	
Silver Springs		\$103,114.00	2	
Spring Creek		\$703,900.00	6	
Stagecoach		\$254,328.00	2	
Tonopah		\$7,125.00	1	
West Wendover		\$328,247.00	3	
Winnemucca		\$1,551,237.00	38	
Yerington		\$522,755.00	36	
<b><u>Totals</u></b>	<b>Housing Programs</b>	<b>\$16,922,278.00</b>	<b>490</b>	<b>1</b>



### USDA Rural Development Contact Information

[www.rurdev.usda.gov/nv](http://www.rurdev.usda.gov/nv)

**Nevada State Office and  
Carson City Area Office**  
1390 S. Curry Street  
Carson City, NV 89703  
(775) 887-1222 Fax (775) 885-0841  
TDD (775) 885-0633

**Elko Local Office**  
555 W. Silver Street, Suite 101  
Elko, NV 89801  
(775) 738-8468 Fax (775) 738-1429

**Fallon Local Office**  
111 Sheckler Road  
Fallon, NV 89406  
(775) 423-7541 Fax (775) 423-0784

**Las Vegas Area Office**  
5820 S. Pecos Road  
Building A, Suite 400  
Las Vegas, NV 89120  
(702) 262-9047 Fax (702) 262-9969

**Winnemucca Local Office**  
1200 Winnemucca Blvd. East  
Winnemucca, NV 89445  
(775) 623-4461 Fax (775) 623-0647



Dayton Combined Event (Left to Right) Larry Smith, State Director, USDA Rural Development, John Gillenwater, District Fire Chief, Central Lyon County Fire Protection District, and Tim Ryan, Acting Deputy Under Secretary for USDA Rural Development.



Leslie Spracklin, Executive Director, Churchill Association for Retarded Citizens (CARC) groundbreaking event in Fallon, August 13, 2004. CARC received a USDA Rural Development community facility loan in the amount of \$200,000 and a grant in the amount of \$50,000.



Healthy Smiles Family Dentistry  
Yerington, Nevada  
September 25, 2004

USDA Rural Development community facility grant funds in the amount of \$35,000 were used to purchase essential dental equipment. The Clinic provides affordable oral health services to approximately 2,500 children, seniors, and other uninsured residents of Lyon County.



(Left to Right) Diane Fulstone, Congressman Jim Gibbons, and Dr. Pamela Patten



Tim Ryan, Acting Deputy Under Secretary for USDA Rural Development and Citizens for Affordable Homes Staff  
Dayton Combined Event



Humboldt Village Apartments Open House  
Winnemucca, NV  
Sixty-six multi-family apartments remodeled and modernized.